

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 00886 01 OF 02 171825Z

45

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 RSC-01 FAA-00 IO-10 SS-15

NSC-05 L-02 PA-01 PRS-01 USIA-06 OMB-01 /071 W

----- 072638

R 171814Z JAN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7344

INFO USMISSION USBERLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

LIMITED OFFICIAL USE SECTION 01 OF 02 BONN 00886

E.O. 11652: N/A

TAGS: EAIR, WB, FR, UK, US

SUBJECT: PRESS REACTION TO PROPOSED IGS FARE INCREASE

BEGIN UNCLASSIFIED

1. SUMMARY: PRESENT IGS FARE INCREASE PROPOSAL HAS RECEIVED CONSIDERABLE PRESS COVERAGE. WHILE MUCH HAS BEEN OPENLY SKEPTICAL OF THE AIRLINES' CASE, THERE HAS BEEN SOME ACKNOWLEDGMENT OF IGS PROBLEMS AND SUGGESTIONS FOR IMPROVING THE SITUATION. MANY OBSERVERS HAVE EXPRESSED CONCERN OVER THE LONGER RANGE IMPLICATIONS FOR BERLIN OF A COMMERCIALLY UNHEALTHY IGS. END SUMMARY

2. SINCE JANUARY 5, VIRTUALLY ALL MAJOR DAILIES IN WEST BERLIN AND THE FRG PLUS SEVERAL PRESTIGIOUS SPECIALIZED NEWSPAPERS HAVE GIVEN THE PROPOSED FARE INCREASE EXTENSIVE ATTENTION. INITIAL COVERAGE ADOPTED A GENERALLY COMPLAINING TONE NOTING THAT THE IGS CARRIERS WERE INCREASING FARES FOR THE THIRD TIME IN 12 MONTHS. WHILE OBSERVING THAT TRAFFIC VOLUME HAD BEEN DECREASING STEADILY SINCE THE IMPROVEMENT IN SURFACE ACCESS RESULTING FROM THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 00886 01 OF 02 171825Z

QA, MOST PAPERS ATTRIBUTED A CONSIDERABLE PERCENTAGE

OF THE PASSENGER LOSS TO STEEPLY INCREASED IGS
FARES. ADDITIONALLY, SOME ANXIETY WAS DEMONSTRATED
REGARDING THE CONTINUED VIABILITY OF THE IGS AS A
MASS TRANSPORTATION MODE GIVEN THE DECLINING
ABILITY OF LOWER INCOME BERLINERS TO AFFORD THE
HIGHER FARES. MANY COMMENTATORS WERE SKEPTICAL OF
THE PAA AND BA'S CASE QUOTING REPS OF OTHER
CARRIERS AND SEVERAL OIL COMPANIES AS ASSERTING
THAT FUEL PRICES HAD NOT RISEN IN THE LAST SIX
MONTHS. FRUSTRATION WITH THE CARRIER'S UNWILLING-
NESS TO DIVULGE MORE DETAILS ON OPERATING
COSTS WAS ALSO A RECURRING THEME.

3. ON THE PLUS SIDE SEVERAL POPULAR NEWSPAPERS SUCH
AS THE BERLIN TAGESSPIEGEL CONCEDED THAT THE TREND
TOWARD HIGHER AIR FARES WAS A WORLD-WIDE DEVELOP-
MENT AND NOT LIMITED TO THE BERLIN MARKET. AT LEAST
ONE PAPER EDITORIALIZED THAT BERLINERS COULD NOT
EXPECT TO BE SPARED THE IMPACT OF THE GENERALLY
PREVAILING ECONOMIC INSTABILITY AND MUST EXPECT TO
PAY MORE FOR SUCH THINGS AS AIR TRAVEL. RECOGNITION
WAS GIVEN THE AIRLINES EFFORTS TO RATIONALIZE
CAPACITY, AS EVIDENCED BY THE CURRENT WINTER
SCHEDULE; HOWEVER, CONCERN WAS EXPRESSED THAT
SERVICES WOULD BE REDUCED EVEN MORE IF TRAFFIC
VOLUME CONTINUED TO DECLINE. SUCH A DEVELOPMENT
WAS SEEN AS HAVING SERIOUS IMPLICATIONS FOR BERLIN'S
COMMERCE AND THE CITY'S ATTRACTION AS A VENUE FOR
TRADE FAIRS AND SPECIAL EVENTS WHICH RELIED ON
EFFICIENT AIR CONNECTIONS TO THE FRG. LATER PRESS
TREATMENT CONCENTRATED ON WHAT STEPS MIGHT BE TAKEN
TO IMPROVE ECONOMIC CONDITIONS ON THE IGS WITH

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 BONN 00886 02 OF 02 171824Z

45

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 RSC-01 FAA-00 L-02 PA-01 PRS-01

USIA-06 SS-15 NSC-05 IO-10 OMB-01 /071 W

----- 072627

R 171814Z JAN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7345

INFO USMISSION USBERLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

LIMITED OFFICIAL USE SECTION 02 OF 02 BONN 00886

PARTICULAR EMPHASIS GIVEN TO SUBSIDIES. A BERLIN SENAT DEBATE DURING WHICH THE CDU FACTION PROPOSED TO OFFSET THE FARE INCREASE THROUGH INCREASED SUBSIDIES RECEIVED WIDE COVERAGE. THE PROPOSAL WAS REJECTED BY THE SPD AND FDP FACTIONS WHOSE SPOKESMEN NOTED THAT THE CARRIERS WOULD HAVE TO MAKE AVAILABLE CONSIDERABLY MORE FINANCIAL DATA THAN HAS BEEN THE CASE IN THE PAST.

4. REPORTING IN SEVERAL PAPERS HAS BEEN CHARACTERIZED BY ARTICLES ATTEMPTING REASONABLY OBJECTIVE ANALYSIES OF IGS PROBLEMS INCLUDING A RECENT HANDELSBLATT ARTICLE SUGGESTING THAT A SHUTTLE SERVICE APPROACH TO THE BERLIN SERVICE MIGHT HELP BRING CARRIER COSTS DOWN. (THE EMBASSY CONSIDERED THIS IDEA SOME YEARS AGO AND CONCLUDED THE NEED FOR A LARGE COMMITMENT OF STANDBY AIRCRAFT AND CREWS MADE A SHUTTLE SYSTEM IMPRACTICABLE FOR THE IGS.) END UNCLASSIFIED.
BEGIN LIMITED OFFICIAL USE
COMMENT: NEWS OF THE PRESENT FARE INCREASE PROPOSAL
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 00886 02 OF 02 171824Z

STRIKES US AS HAVING RECEIVED MARKEDLY MORE EXTENSIVE AND LONGER MEDIA ATTENTION THAN PREVIOUS EXERCISES. IT APPEARS LIKELY, THEREFORE, THAT GERMAN BCATAG REPS COULD BE EVEN MORE CAUTIOUS THAN USUAL IN IDENTIFYING THE FRG AND BERLIN SENAT WITH INCREASED IGS FARES GIVEN THEIR SENSITIVITY TO THE DOMESTIC POLITICAL OVERTONES OF BERLIN AIR DEVELOPMENTS. END LOU.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, AIR FARES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BONN00886
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750019-0226
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750143/aaaablzx.tel
Line Count: 163
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 13 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 MAY 2003 by BoyleJA>; APPROVED <14 MAY 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS REACTION TO PROPOSED IGS FARE INCREASE BEGIN UNCLASSIFIED
TAGS: EAIR, WB, FR, UK, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006